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CHINESE COUNTERDRAFT OF JULY 17, 1982

PORTIONS WHICH CREATE PROBLEMS FOR THE US ARE UNDERLINED

1. In the Joint Communiqué on the Establishment of Diplomatic Relations on January 1, 1979, issued by the Government of the People's Republic of China and the Government of the United States of America, the United States recognized that the Government of the People's Republic of China is the sole legal government of China, and it acknowledged the Chinese position that there is but one China and Taiwan is a part of China. The two sides agreed that within that context, the people of the United States would continue to maintain cultural, commercial and other unofficial relations with the people of Taiwan. On this basis, relations between China and the United States were normalized.

2. The question of United States arms sales to Taiwan was not settled in the course of negotiations between the two countries on establishing diplomatic relations. The two sides held differing positions, and the Chinese side stated that it would raise the issue again following normalization. The two sides recognized that this issue would seriously hamper the development of Sino-US relations. They have held further discussions, during and since the meetings between Premier Zhao Ziyang and President Ronald Reagan and between Vice Premier and Foreign Minister Huang Hua and Secretary of State Alexander M. Haig, Jr., in October 1981.

3. Respect for each other's sovereignty and territorial integrity and non-interference in each other's internal affairs constitute the fundamental principles guiding Sino-American relations. These principles were confirmed in the Shanghai Communiqué of February 28, 1972, and reaffirmed in the Joint Communiqué on the Establishment of Diplomatic Relations which came into effect on January 1, 1979. Both sides emphatically state that Sino-US differences over the question of the United States' supply of arms to Taiwan should be settled in accordance with these principles.

4. The Chinese government reiterates that the question of Taiwan is China's internal affair. It states that the message to compatriots issued by China on January 1, 1979, promulgated a fundamental policy of striving for a peaceful reunification of the Motherland. The nine-point proposal put forward by China on September 30, 1981 represented a further major effort to strive for a peaceful solution to the Taiwan question. The

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new situation which has emerged with regard to the Taiwan question also provides favorable conditions for the settlement of the question of United States arms sales to Taiwan. The United States Government understands and appreciates the Chinese policy of striving for a peaceful resolution of the Taiwan issue as indicated in the nine-point proposal of September 30, 1981.

5. The United States Government attaches great importance to its relations with China. It reiterates that it has no intention of infringing on Chinese sovereignty or territorial integrity or pursuing a policy of "Two Chinas" or "one China one Taiwan."

6. The United States Government states that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years, since the establishment of diplomatic relations between the United States and China.

7. The United States Government states that* the United States does not seek to carry out a long-term policy of arms sales to Taiwan and that it will gradually reduce its arms sales to Taiwan, leading to a final resolution over a period of time. In so stating, the United States Government acknowledges China's consistent position regarding the total settlement of this issue.

8. Considering that the question of United States arms sales to Taiwan is an issue left over by history and that it should be finally settled, over a period of time on the basis of the foregoing statements, both governments will make every effort to adopt measures and create conditions conducive to the settlement of this issue and will keep in touch with each other on this matter.

8. The two governments agree that the continued development of Sino-US relations is not only in the interests of the two peoples, but is conducive to peace and stability in the world. The two sides are determined to make strong, joint efforts for the continued development of relations between the Chinese and American peoples and between the governments of the two countries.

*NB: These introductory words are underlined because they contain no qualifying statement indicating that the following statement of US policy is related to the foregoing statements of Chinese policy.

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US DRAFT COMMUNIQUE OF 7/23/82

1. In the Joint Communique on the Establishment of Diplomatic Relations, on January 1, 1979, issued by the Government of the United States of America and the Government of the People's Republic of China, the United States recognized the Government of the People's Republic of China as the sole legal government of China, and it acknowledged the Chinese position that there is but one China and Taiwan is part of China. Within that context, the two sides agreed that the people of the United States would continue to maintain cultural, commercial and other unofficial relations with the people of Taiwan. On this basis, relations between China and the United States were normalized.
2. The question of United States arms sales to Taiwan was not settled in the course of negotiations between the two countries on establishing diplomatic relations. The two sides held differing positions, and the Chinese side stated that it would raise the issue again, at a later time, following normalization. The two sides have held further discussions, during and since the meetings between President Ronald Reagan and Premier Zhao Ziyang and between Secretary of State Alexander M. Haig, Jr., and Vice Premier and Foreign Minister Huang Hua in October, 1981.
3. Respect for each other's sovereignty and territorial integrity and non-interference in each other's internal affairs constitute the fundamental principles guiding Sino-American relations. These principles were confirmed in the Shanghai Communique of February 28, 1972, and reaffirmed in the Joint Communique on the Establishment of Diplomatic Relations which came into effect on January 1, 1979. Both sides emphatically state that these principles continue to govern their relations.
4. The Chinese government reiterates that the question of Taiwan is China's internal affair. It states that the message to compatriots issued by China on January 1, 1979, promulgated a fundamental policy of striving for peaceful reunification of the Motherland. The nine-point proposal put forward by China on September 30, 1981 represented a further major effort to seek a peaceful solution to the Taiwan question. The new situation which has emerged with regard to the Taiwan question also provides favorable conditions for the settlement of the question of United States arms sales to Taiwan.
5. The United States Government understands and appreciates the fundamental Chinese policy of seeking a peaceful resolution of the Taiwan issue as indicated in China's message of January 1, 1979 and its nine-point proposal of September 30, 1981. The United States has consistently affirmed its interest in, and expectation of, a peaceful resolution of the Taiwan issue by the Chinese people themselves. The United States Government att

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reiterates that it has no intention of infringing on Chinese sovereignty or territorial integrity or pursuing a policy of "two Chinas" or "one China one Taiwan."

6. Having in mind the foregoing statements of both sides, the United States Government states its policy that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years, since the establishment of diplomatic relations between the United States and China. It further states that the United States does not seek to carry out a long-term policy of arms sales to Taiwan and that it expects a gradual reduction in its sales of arms to Taiwan, over a period of time, leading to a final resolution. In so stating, the United States acknowledges China's consistent position regarding the thorough settlement of this issue.

7. Considering that the question of United States arms sales to Taiwan is an issue rooted in history and that it should be finally settled over a period of time, on the basis of the foregoing statements, both governments will make every effort to adopt measures and create conditions conducive to the settlement of this issue.

8. The two governments agree that the continued development of United States-China relations is not only in the interests of the two peoples, but is also conducive to peace and stability in the world. The two sides are determined to make strong, joint efforts for the continued development of relations between the Chinese and American peoples and between the governments of the two countries.

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CHINESE COUNTERDRAFT OF 7/31/82

PORTIONS WHICH CREATE PROBLEMS FOR THE US ARE UNDERLINED

1. In the Joint Communiqué on the Establishment of Diplomatic Relations on January 1, 1979, issued by the Government of the United States of America and the Government of the People's Republic of China, the United States of America recognized the Government of the People's Republic of China as the sole legal government of China, and it acknowledged the Chinese position that there is but one China and Taiwan is part of China. Within that context, the two sides agreed that the people of the United States would continue to maintain cultural, commercial, and other unofficial relations with the people of Taiwan. On this basis, relations between the United States and China were normalized.

2. The question of United States arms sales to Taiwan was not settled in the course of negotiations between the two countries on establishing diplomatic relations. The two sides held differing positions, and the Chinese side stated that it would raise the issue again following normalization. In view of the fact that this issue will seriously hamper the development of US-China relations, we have held further discussions on it, during and since the meetings between President Ronald Reagan and Premier Zhao Ziyang and between Secretary of State Alexander M. Haig, Jr., and Vice Premier and Foreign Minister Huang Hua in October, 1981.

3. Respect for each other's sovereignty and territorial integrity and non-interference in each other's internal affairs constitute the fundamental principles guiding US-China relations. These principles were confirmed in the Shanghai Communiqué of February 28, 1972 and reaffirmed in the Joint Communiqué on the Establishment of Diplomatic Relations which came into effect on January 1, 1979. Both sides emphatically state that these principles continue to govern their relations, including the settlement of the question of United States supply of arms to Taiwan.

4. The Chinese government reiterates that the question of Taiwan is China's internal affair. The message to compatriots in Taiwan issued by China on January 1, 1979 promulgated a fundamental policy of striving for peaceful reunification of the Motherland. The nine-point proposal put forward by China on September 30, 1981 represented a further major effort to strive for a peaceful solution to the Taiwan question.

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5. The United States Government understands and appreciates the Chinese policy of striving for a peaceful resolution of the Taiwan question as indicated in China's message to compatriots in Taiwan issued on January 1, 1979 and the nine-point proposal put forward by China on September 30, 1981. The United States Government attaches great importance to its relations with China, and reiterates that it has no intention of infringing on Chinese sovereignty and territorial integrity, or interfering in China's internal affairs, or pursuing a policy of "Two Chinas" or "one China, one Taiwan."

6. The United States Government states that* it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years, since the establishment of diplomatic relations between the United States and China, and that it will progressively reduce its sale of arms to Taiwan, leading to a final resolution over a period of time. In so stating, the United States acknowledges China's consistent position regarding the thorough settlement of this issue.

7. In order to bring about, over a period of time, a final settlement of the question of United States arms sales to Taiwan, which is an issue rooted in history, the two governments will make every effort to adopt measures and create conditions conducive to the thorough settlement of this issue, and will keep in touch with each other on this matter.

8. The two governments agree that the continued development of US-China relations is not only in the interests of the two peoples, but is conducive to peace and stability in the world. The two sides are determined to make strong, joint efforts for the continued development of relations between the American and Chinese peoples and between the governments of the two countries.

*NB: These introductory words are underlined because they contain no qualifying statement indicating that the following statement of US policy is related to the foregoing statements of Chinese policy.

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~~SECRET/SENSITIVE~~ATTACHMENTEXPLANATION OF HUMMEL'S PROPOSED NEW PARAGRAPH
AS MODIFIED AND OUR ALTERNATIVE NEW FORMULATION

In his exchange with Vice Minister Han Xu on July 31, 1982, Ambassador Hummel read to Han proposed wording for the US statement regarding future arms sales to Taiwan that could be substituted for paragraph six of the Chinese draft presented on that date. Hummel told Han that the US could only agree to this statement if the Chinese would add the word long-term before "fundamental policy" in their policy statement.

After studying this paragraph, we have modified it slightly. We have also concluded that if the Chinese were to accept this paragraph we would not need to insist on the insertion of "long-term" before "fundamental" on which Hummel premised his offer. The Chinese wording for "fundamental" already contains the connotation of "long term."

The modified version of Hummel's paragraph six, with underlining of those portions which establish that our policy on Taiwan arms sales is premised on China's peaceful approach, is as follows: "6. The United States has consistently affirmed its interest in, and expectation of, a peaceful resolution of the Taiwan issue by the Chinese people themselves. Noting the new situation which has emerged with regard to the Taiwan question and the favorable conditions it creates for resolving U.S.-China differences regarding U.S. arms sales to Taiwan, the United States Government states that it does not seek to carry out a long-term policy of arms sales to Taiwan. It states its policy that its arms sales to Taiwan will not exceed either in qualitative or in quantitative terms the levels of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it expects a gradual reduction in its sales of arms to Taiwan, over a period of time, leading to a final resolution. In so stating, the United States acknowledges China's consistent position regarding the thorough settlement of this issue."

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The key point in this paragraph is the reference to a "new situation," on which our statement of future policy would be premised. In addition, this paragraph states our long-standing interest in, and expectation of, a peaceful resolution of the Taiwan issue by the Chinese people themselves. This is a thought that we have tried to inject into every draft we have tabled, though it is not critical, since there is already a reference to China's fundamental peaceful policy and we will continue to state publicly our position in any case. The modified Hummel paragraph also contains the words "expects gradual reductions" rather than "will progressively reduce."

The Chinese may not accept this paragraph, however, because it puts too much in front of our statement of future intention. We have therefore developed an alternative approach to paragraphs four through six of the Chinese draft of July 31 which would distribute our interest in a peaceful situation, the reference to the "new situation" and the prefacing phrase "noting the new situation" in three different paragraphs. This might be more acceptable to the Chinese, and it would accomplish the same objectives as the proposal Hummel has read to them.

These three new paragraphs are each very close to what the Chinese have accepted, or volunteered, in previous drafts, though the paragraph order is slightly changed. Again, this should enhance their acceptability to the Chinese. The alternative paragraphs, with underlining of those portions establishing that our policy is premised on a peaceful Chinese approach, are as follows:

"4. The United States Government attaches great importance to its relations with China. It reiterates that it has no intention of pursuing a policy of "two Chinas" or "one China, one Taiwan." It has consistently taken the position that the Taiwan issue is a matter to be resolved, peacefully, by the Chinese people themselves.

5. The Chinese government attaches great importance to its relations with the United States. It reiterates that the question of Taiwan is China's internal affair. The message to compatriots in Taiwan issued by China on January 1, 1979 promulgated a fundamental policy of striving for peaceful reunification of the Motherland. The nine-point proposal put forward by China on September 30, 1981 represented a further major effort to strive for a peaceful solution to the Taiwan question. The new situation which has emerged with regard to the Taiwan question also provides favorable conditions for resolving US-China differences regarding US arms sales to

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Taiwan. The United States Government understands and appreciates China's fundamental policy of striving for a peaceful resolution of the Taiwan question as indicated in China's message of January 1, 1979 and its nine-point proposal of September 30, 1981.

6. Noting the new situation which has emerged with regard to the Taiwan question, the United States Government states that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years, since the establishment of diplomatic relations between the United States and China, and that it expects gradually to reduce its sale of arms to Taiwan, over a period of time, leading to a final resolution. In so stating, the United States acknowledges China's consistent position regarding the thorough settlement of this issue."

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